



Department of
Health Care Services



Drug Medi-Cal - Organized Delivery System Waiver Update

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DMC Organized Delivery System Waiver

- Overview and Goals
- Expected Outcomes
- Key Elements
- Waiver Finance Process
- Readiness Assessment and Implementation Plan
- Progress Update and Next Steps



Waiver Overview and Goals

- The Department of Health Care Services (DHCS) is seeking an 1115 Demonstration Waiver for the Substance Use Disorder Drug Medi-Cal (DMC) Program.
 - Overall Purpose
 - Create a model that will provide an Organized Delivery System (ODS) of Substance Use Disorder (SUD) services
 - Goal
 - Improve the quality and availability of SUD services for California's beneficiaries.
 - Ensure access to SUD services while also increasing program oversight and integrity at the county and state level.



DMC - ODS Expected Outcomes

The Waiver will:

- Give state and county officials more authority to select quality providers.
- Be consumer-focused; use evidence based practices and improve program quality outcomes.
- Support coordination and integration across systems.
- Encourage more appropriate use of health care, such as reduced emergency rooms and hospital inpatient visits.
- Provide availability of all SUD services including residential services without the restrictions of the IMD exclusion.



Key Elements in the Waiver

- Counties Opt In
- Continuum of Care
- Residential Services
- The ASAM Criteria
- Utilization Controls
- Selective Provider Contracting
- Recovery Services
- Expanding Medication Assisted Treatment



Wavier Finance Process

- Developed a methodology that would account for new services and new populations
- Developed a Per User Per Month (PUPM) methodology that would maintain State and county funding responsibilities and provide flexibility for counties to propose rates to ensure provider participation
- Ensure neither counties nor the State had financial incentives to influence services use or type



Waiver Finance Process (cont)

- Waiver must be budget neutral
- Waiver allows counties ability to propose rates independent of current DMC process, with DHCS approval
- Funding of actual PUPM costs to be based on State/county sharing ratio for non-federal share



Readiness Assessment and Implementation Plan

- Counties will need to demonstrate readiness
- Counties will commit to opting in to waiver; DHCS anticipates eight to twelve will initially opt-in
- Sections in the Plan
 - Narrative
 - Assurances
 - Projected Beneficiaries
 - Projected Services
 - Proposed Rates
 - Board of Supervisors Approval



Progress Update and Next Steps

- DHCS submitted the Wavier to CMS on Friday, November 21, 2014; CMS has 120 days for review
- DHCS will continue to accept feedback on all components of the Waiver through ongoing Wavier Advisory Group meetings
 - Next meeting scheduled in January to discuss the development of the Implementation Plan

